THE COMMONWEALTH OF MASSACHUSETTS
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FISCAL AFFAIRS DIVISION
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TIMOTHY C. SULLIVAN
Budget Director

To: Secretaries and Agency Heads

CC: Secretariat CFOs and HR Directors; and
Agency Human Resources Directors and Budget Directors

From: Tim Sullivan, Budget Director, Fiscal Affairs Division
Patricia Wada, Acting Personnel Administrator, Human Resources Division

Date: March 5, 2002

Re: Early Retirement Implementation and Backfills

The Early Retirement Incentive Program (ERIP), as authorized by Chapter 219 of the Acts of 2001, is a critical component in the Commonwealth's strategy to maintain fiscal stability. However, the impending retirement of many critical staff will obviously place a tremendous strain on many state agencies. We will work with agencies to provide the maximum flexibility to meet these challenges within the considerable constraints imposed by Chapter 219, most notably the limit on the number of backfills to 20% of the retirees' salaries across the Executive Branch, while also complying with stringent reporting requirements.

In order to meet the reporting requirements, yet retain as much agency flexibility as possible, we are assigning backfill salary ceilings to the secretariats. The ceiling amounts are pre-populated on the form available from FAD's SQL server, described below. A list of individuals who have applied for early retirement, with their agency, account, title and salary, is also available using that form. This list is current as of March 4 and will be updated as we receive new information from the State Retirement Board.

Secretariats will be responsible for allocating their ERIP backfill salary ceilings amongst their agencies, as well as completing the ERIP Personnel Backfill Plan. Using the herein-described form, plans will be accepted by FAD on a rolling basis, but ERIP backfills cannot be hired until the plan is submitted, and FAD has filed a backfill schedule with the Legislature. On or soon after March 18, HRD will be inactivating all early retirement positions, and coding them with an identifier for future tracking purposes. Once a plan has been filed with FAD, HRD will be notified, and the positions within the plan will be reactivated for hire 10 days after legislative notification. While partial plans filed in the next week or two are encouraged, with updates as needed, the entire process must be completed by April 26. Plans should be filed electronically via FAD's SQL server, but hard copies of each filing, signed by the secretary, should be sent immediately thereafter. If further personnel actions are needed outside of early retirement positions, agencies are reminded that the Hiring Controls limitations on new hires are in effect through the signing of the FY2003 GAA, and that FY2003 hires may be subject to further controls, depending on the state's revenue position.

Secretariats need to adhere to the following policy guidelines:

- 120-day appointments of ERIP retirees are subject to the 20% salary limitation, and should be listed on the plan. Such appointments must have been previously approved through the Chief Secretary's office. A separate memo and form from the Chief Secretary's office was distributed Friday and must be submitted for approval. Upon approval, HRD will take action to make the position available immediately.

- Promotions into retiree positions will count towards the 20%, but only in terms of the incremental increase in the individual's salary. In order to capture the relevant savings, the position from which the person is being promoted will be inactivated and identified as an ERIP-related position. For instance, if a budget director will be promoted to CFO, the budget director's position will be inactivated from further use, and the difference between her salary as CFO and budget director will be counted towards the 20%. Subsequent promotions are allowable if listed on the plan. The incremental salary increase will be subject to the 20% ceiling.

- New hires into positions created in FY02 to consolidate functions or reorganize agency functions are allowed, subject to the backfill ceiling.

- Early retirement backfills should be proposed only if they are affordable under FY2002 amounts currently available to the agency, and if funding for them is contained within the account's FY2003 H.1A recommendations. Agencies should not assume supplemental funding to support early retirement backfills.

- Backfill plans are expected to address ERIP vacancies in critical titles, such as CIO, CFO, and agency head.

- Hires into capital, federal or trust accounts will continue to be allowed without restriction, except for Chief Secretary approval of 120-day ERIP appointments.

- This policy may be revised if the bill to make capital, federal and trust employees eligible for ERIP passes. (H.4914)

We anticipate that in some instances, ERIP reductions may require agencies to restructure operations, and perhaps even eliminate some functions. Agencies should alert their FAD analysts to ensure that any significant changes in service delivery resulting from ERIP restructuring would not compromise Administration priorities.

TECHNICAL INSTRUCTIONS – The ERIP Personnel Backfill Plan form is available for downloading from FAD's intranet site at http://www.fad.state.ma.us/. It is an Excel file with a custom toolbar built in. Only budget staff in "Secretariat" departments who have passwords to FAD's SQL server are authorized to download and upload data between FAD's SQL server and the form. If you already have a password, and your computer has already accessed FAD's server, you should be all set up to use this form. If you are using a computer that has not already accessed FAD's server, you will need to refer to the "Connecting to FAD SQL" section on page 4 of the FY2002 Spending Plan Instructions, which are also available at FAD's intranet site.

When you open the file, you will be requested to enter your MMARS department code. Enter the MMARS department code of the "Executive Office". For example, Health and Human Services will enter "EHS", Consumer Affairs will enter "SCA", etc. (You will use the first column on the form itself to indicate the actual departments where the backfills are being requested.) You should complete only one file per "secretariat".

The custom toolbar has eight buttons which perform the following functions:

Dept Code	For FAD use only, to change departments. Users outside of FAD would only be working with one "Secretariat" department code.
Get Data from FAD's SQL Server	Populates the form with data previously saved to FAD's SQL server. Should be done prior to beginning any update.
Send Data to FAD's SQL Server	Sends your data back to FAD.
Clear SQL Logon Information	This is a security feature that you may want to use if you leave the file running on your PC while you are out of the office. It clears out your password, so that it needs to be re-entered before any data can be sent to or retrieved from FAD's server.
Insert Row	Inserts a row on the worksheet.
Delete Row	Deletes the selected row from the worksheet.
Sort Data	Allows you to sort the data in the worksheet.
Position Query	Produces a list of ERIP applicants from your secretariat. The second column displays the date the data was last refreshed.
Last Update	Gives the date and time that data was last sent to FAD's SQL server.

At the top of the form, enter the department contact name and telephone number. The Secretariat title will be automatically populated when you download data into the form. The biweekly and annualized backfill salary ceiling assigned to the Secretariat will be automatically populated in the Secretariat Salary Ceiling fields. The Total Requests fields contain formulas which equal the sum of the respective fields on the detail section of the form. The Amount Over/(Under) fields are formula driven. These fields must be equal to or less than zero in order for the plan to be acceptable.

Enter the required data into the columns as described below. The form is designed to reflect all planned backfills, and will populate itself with information from prior submissions. Please be sure to "get data" from FAD's SQL server prior to updating the form, as further submissions will overwrite earlier submissions and may delay backfill scheduling with the Legislature. When you are done, send the data back to FAD's SQL server, print out the form, and submit hard copy, signed by the Secretary or non-Secretariat department head, to the Fiscal Affairs Division. *Please note that both electronic and signed hard copies are required.* If you wish to revise your plan, call up the file, download the current data, update it, add comments as necessary, send it back to FAD's SQL server, and submit a revised signed hard copy.

For further policy assistance, please call your FAD analyst or Jennifer Hewitt at 727-2081. For technical assistance, please call Bob Monaco at 727-2081.

MMARS DEPT CODE – MMARS code of the agency for whom the backfill is requested.

ACCOUNT NUMBER– Account which will be the primary source for the salary of the backfill.

POSITION NUMBER – HR/CMS position number of the position to be backfilled. If the position is new, please indicate "New" in this cell. If the position is a 120-day appointment, please indicate the position from which the person is retiring in the cell.

POSITION TYPE – HR/CMS position type.

JOB CODE – HR/CMS job code of the position to be backfilled.

FUNCTIONAL JOB TITLE – Functional job title of the position to be backfilled.

BARGAINING UNIT – Bargaining unit of the position to be backfilled.

JOB GRADE – Job grade of the position to be backfilled.

STEP – Step of the position to be backfilled.

FTE – FTE value of the position to be backfilled. If a 120-day appointment is requested, the value should be in decimals.

BIWEEKLY SALARY – The actual biweekly salary of the position to be backfilled. For 120-day appointments, calculate the entire amount projected to be paid during FY2003, divide by 26.1, and enter the result here.

SALARY INCREMENT – Increment of salary that will count towards the 20% ceiling. For backfills that don't involve promotions, it will be the value of the biweekly salary in the previous column. For promotions, it will be the biweekly increase in the individual's salary.

ANNUALIZED SALARY INCREMENT – The previous column times 26.1. This represents the full FY2003 incremental cost.

NEW POSITION? – If the position will be newly created rather than filling a retiree's position, please indicate that here with a "Yes".

120-DAY APPT.? – If the position will be a 120-day appointment, please indicate that here with a "Yes".

PROMOTION? – If the position will be filled via promotion from another currently-filled position, please indicate that here with a "Yes". Complete the remaining fields for the position from which the promotion is being made.

POSITION NUMBER – HR/CMS position number of the position to be promoted from.

POSITION TYPE – HR/CMS position type of the position to be promoted from.

JOB CODE – HR/CMS job code of the position to be promoted from.

FUNCTIONAL JOB TITLE – Functional job title of the position to be promoted from.

LAST NAME – Last name of the person to be promoted.

JOB GRADE – Job grade of the position to be promoted from.

STEP – Job step of the position to be promoted from.

FTE – FTE value of the position to be promoted from.

BIWEEKLY SALARY – Actual biweekly salary of the position to be promoted from.

COMMENTS – This text field is available for any information that you believe would be useful to FAD. Please highlight the reasons for any changes to prior submissions in this field.